

12 November 2014

## Comvita Announce Rights Issue

Together with its first half result, Comvita has today announced a pro rata 1 for 5 renounceable rights offer at \$3.55 per share and a shortfall bookbuild offer to raise up to \$24.4m.

The rights offer is an offer to “Eligible Shareholders”. Under the rights offer, Eligible Shareholders are entitled to subscribe for 1 new share for every 5 existing shares held on the Record Date, provided that entitlements will be scaled up to a minimum holding of 50 rights.

The Record Date for determining entitlements is 5:00pm, 21 November 2014, with the opening date for the rights offer being 25 November 2014. The rights will trade under code CVTRB on the NZX Main Board from 19 November with last date of rights trading being 8 December 2014. The Closing Date for the rights offer is 5:00pm 12 December 2014, with allotment and issue of new shares on 19 December 2014.

These new shares will not qualify for the dividend to be paid on 5 December 2014.

### Eligibility

The rights offer is only open to Eligible Shareholders, i.e., persons who have registered addresses in New Zealand, who are registered as Shareholders at the Record Date, or persons that Comvita is satisfied can participate in the Offer, in compliance with all applicable laws.

Comvita considers that the legal requirements of other jurisdictions in which Shareholders have a registered address (being Australia, Hong Kong, South Korea, Japan and the United States of America) are such that it would be unduly onerous for the company to make the Offer in those jurisdictions.

The entitlements of all ineligible Shareholders will be issued to a nominee who will endeavour to sell those entitlements and the net proceeds less costs (calculated as 0.25% of the price at which the rights are sold) will be paid to those shareholders.

### Shortfall Bookbuild

Any new shares attributable to rights not taken up by the Closing Date (5:00pm, 12 December 2014) including those of persons who are not Eligible Shareholders (“Unexercised Rights”) will be offered to “Eligible Bookbuild Investors” via a Bookbuild process.

The Shortfall Bookbuild will be completed by 16 December 2014. Eligible Bookbuild Investors participating in the Shortfall Bookbuild, will be able to bid for new shares that are attributable to Unexercised Rights. If the proceeds from the issue of new shares under the Shortfall Bookbuild on a per Share basis (Bookbuild Price) exceeds the Issue Price, such excess less transaction costs (calculated as 0.25% of the Bookbuild Price) will be paid to the holders of the Unexercised Rights in proportion to their holdings of Unexercised Rights.

### Offer Document

Details of the Offer are contained in an Offer Document dated 12 November 2014, a copy of which can be downloaded from NZX Limited's website [www.nzx.com](http://www.nzx.com) under stock code CVT.

Application has been made to NZX for permission to quote the rights on the NZX Main Board, and all the requirements of the NZX relating thereto that can be complied with on or before the date of the Offer will be duly complied with. However, NZX accepts no responsibility for any statement in this announcement or the

Offer Document to which it relates. NZX is a registered exchange which operates the NZX Main Board, a registered market, regulated under the Securities Markets Act 1988.

### **Capital Raising**

Comvita Chairman, Neil Craig said, “Our continued growth, and our acquisition and infrastructure investments over the past five years have largely been funded from operating cash flows, long and short term borrowing and the strategic investment made by Derma Sciences of NZD\$8.9m made in September 2013. As we grow, we also require increased working capital during the New Zealand spring due to the seasonal nature of the honey harvest. This is because we must invest in inventory and beekeeping processes prior to our large northern hemisphere selling period for a significant proportion of our product range.”

“This capital raising will help address these issues, by allowing for a reduction in bank debt, and then ultimately providing further equity to support the businesses investment in honey inventory as well as affording financial capacity to consider acquisitions.”

# Ends #

### **For further information:**

Brett Hewlett, Comvita CEO, 021 740 160

Neil Craig, Comvita Chairman, 021 731 509

Julie Chadwick, Comvita Communications Manager, 021 510 693

### **Background information**

*About Comvita ([www.comvita.com](http://www.comvita.com))*

Comvita (NZX:CVT) is a global natural health company committed to the development of innovative products, backed by ongoing investment in scientific research. We are the world leaders in Manuka (leptospermum) honey and fresh-picked Olive Leaf Extract, which are at the core of the Comvita product range.

We have approximately 50% of honey supply under direct ownership or control, with the balance of supply from long term contractual and partnership arrangements. Comvita pioneered the development and use of medical grade Manuka honey and was the first to receive FDA approval (2007). We partner with US wound care company Derma Sciences, Inc. (NASDAQ:DSCI), the global licensee for Medihoney® specialist wound care products, which are used in hospitals and medical centres around the world. Comvita's freshly picked Olive Leaf Extract is grown, harvested, extracted and bottled at the world's largest specialised olive leaf grove, with over one million olive trees.

Comvita sells into more than 18 countries through a network of our own branded retail locations, online (nine country specific e-commerce websites) and third-party outlets. We have over 450 staff located in New Zealand, Australia, Hong Kong, Japan, Taiwan, South Korea, United Kingdom and USA.

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